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March 29, 2004

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Jeff S. Jordan, Esq.  
Supervisory Attorney  
Complaints Examination & Legal Administration  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 5406

Dear Mr. Jordan:

On behalf of my clients, Hynes for Senate ("the Campaign"), Jeffrey C. Wagner, as the Campaign's treasurer, Friends of Dan Hynes ("FODH"), John Sheridan, and Daniel W. Hynes, I write to demonstrate that no further action should be taken against them in the above-referenced matter.

At its core, the Complaint in this matter contains two allegations. First, it alleges "upon information and belief", that a conglomeration of numerous Illinois state and local political organizations and party committees, as well as several individuals, engaged in a "money laundering scheme" to funnel funds from FODH to the Campaign. See Compl. at ¶ 19. Second, it alleges, "upon information and belief," that the Campaign violated federal election law by accepting contributions of \$1,000 from a variety of state and local political organizations and party committees and indirectly receiving contributions from prohibited sources. See Compl. at ¶ 23. For the reasons set forth below, both allegations are patently and demonstrably false, and in fact may rise to the level of an abuse of the FEC complaint process for political purposes. In any event, it is clear at a minimum that the Commission should take no further action in this matter.

The Purported Money Laundering Scheme

In Paragraph 19 of the Complaint, the Complainant alleges that this purported "money laundering scheme" is demonstrated by the fact that FODH made two contributions to two local party committees in January 2003 – before Mr. Hynes became a federal candidate – and that one of these local party committees paid \$1,500 to Rosemary Bilecki. The second part of this purported scheme is that, some months later, (1) a variety of individuals affiliated with those two party committees contributed to the Campaign, and (2) Rosemary Bilecki's son contributed to

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the Campaign. These allegations of a "scheme" are baseless and in fact false for any number of reasons.

First, and most importantly, the attached affidavits of the chairman of FODH and the treasurer of the Campaign, as well as the affidavits submitted by the other respondents, demonstrate unmistakably that all of the contributions in question were made, not as part of any "scheme", and in fact without any consideration of or expectation that any contributions would be routed back to the Campaign. See Exhibits 1, 2, attached hereto.

Second, an examination of the details of the alleged scheme further demonstrates just how spurious these allegations are. For instance, the Complaint alleges that the \$1,500 payment from the 19<sup>th</sup> Ward Democratic Organization to Rosemary Bilecki was part of this purported scheme. However, as the affidavit submitted by Thomas C. Hynes demonstrates, the 19<sup>th</sup> Ward Democratic Organization pays Rosemary Bilecki \$1,500 every six months for the services that she renders for the organization, and has done so since January 2001. Thus, this payment to Ms. Bilecki had nothing whatsoever to do with any contribution to or from FODH or the Campaign.

Similarly, the Complaint alleges that this purported scheme included contributions to the Campaign from Charles Bernardini and Friends of Vi Daley that were made nearly eight months after FODH contributed funds to the 43<sup>rd</sup> Ward Democratic Party. However, the Complaint does not even allege that Friends of Vi Daley received any funds from FODH in this timeframe. Indeed, if there were any such contributions to Friends of Vi Daley, such contributions would have been reported with the Illinois State Board of Elections and the Cook County Clerk and made publicly available. See 10 ILCS 5/9-10. Similarly, the Complaint Complainant alleges that the \$500 contribution from Mr. Bernardini to Hynes for Senate was part of this alleged money laundering scheme. Again, however, Complainant fails even to allege that Mr. Bernardini received any funds from any other participant in the alleged scheme. Any expenditure to Mr. Bernardini would also have been reported and made publicly available.

In sum, the Complaint attempts to concoct a "scheme" where there clearly was none. These were contributions and expenditures made in the ordinary course of business. They were not made in consideration for other contributions, nor was there any expectation that they would route contributions to the Campaign. For this reason, the Commission should take no further action on this allegation.

#### **The Purported Scheme to Route Contributions from Prohibited Sources to the Campaign**

The second allegation in the Complaint is that a variety of local party committees and state political organizations each contributed \$1,000 to the Campaign, and in so doing routed contributions from prohibited sources to the Campaign. However, as the submissions and affidavits of each of those organizations demonstrates, their actions were completely legal and in full compliance with the Act and the Commission's regulations.

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Commission regulations and advisory opinions clearly and explicitly allow local party committees and political organizations organized under state law to contribute up to \$1,000 to federal candidates in a year. *See, e.g.*, 11 C.F.R. §§ 102.5(b)(1), 102.5(b)(2); A.O. 1999-4. The only requirement is that the party committee or political organization must "ha[ve] received sufficient funds subject to the limitations and prohibitions of the Act to make such a disbursement." A.O. 1999-4. *See also* 11 C.F.R. §§ 102.5(b)(1), 102.5(b)(2). As the affidavits attached hereto and submitted by the other respondents demonstrate, each of these contributors in fact did have sufficient funds subject to the limitations and prohibitions of the Act to make such a disbursement. Accordingly, this was not, as Complainant alleges, an effort to contribute funds whose ultimate source was "corporations, unions, foreign nationals, federal government contractors and contributors who have already reached federal contribution limits." Indeed, the Complainant offers no evidence whatsoever that any of these contributions originated from a source prohibited from the Act. On the contrary, the uncontroverted evidence clearly shows that the contributions were entirely legal. Therefore, it is abundantly clear that no further action on this matter is appropriate.

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Accordingly, on behalf of Hynes for Senate, Jeffrey C. Wagner as its treasurer, Friends of Dan Hynes, John Sheridan, and Daniel W. Hynes, I respectfully request that the Commission take no further action in this matter.

If you require any additional information, please feel free to contact me.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael K. Forde", with a long horizontal line extending to the right.

Michael K. Forde

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BEFORE THE FEDERAL ELECTION COMMISSION

GERALD L. JAECKS,

Complainant,

vs.

MUR 5406

DANIEL W. HYNES, HYNES FOR SENATE,  
19<sup>TH</sup> WARD DEMOCRATIC ORGANIZATION,  
THOMAS C. HYNES, ROSEMARY BILECKI,  
PETER BILECKI, 43<sup>RD</sup> WARD DEMOCRATIC  
PARTY, PEGGY A. ROTH, CHARLES R.  
BERNARDINI, FRIENDS OF VI DALEY,  
THOMAS S. MOORE, VI DALEY, FRIENDS  
OF DAN HYNES, JOHN SHERIDAN,  
MADISON COUNTY DEMOCRAT CENTRAL  
COMMITTEE, MAC WARFIELD, SANGAMON  
COUNTY DEMOCRATIC CENTRAL  
COMMITTEE, PATRICK T. TIMONEY,  
DONALD E. STEPHENS COMMITTEEMAN'S  
FUND, BRADLEY STEPHENS and DONALD  
E. STEPHENS,

Respondents.

AFFIDAVIT OF JOHN SHERIDAN

JOHN SHERIDAN, duly sworn on oath on personal knowledge, hereby deposes and states as follows:

1. I am the Chairman of Friends Of Dan Hynes ("FODH"), a political organization organized under the laws of the State of Illinois.
2. FODH contributed \$1,000 to Hynes for Senate Exploratory Committee, a federally authorized committee, on or about March 31, 2003. FODH did not contribute any other funds to any federal candidate in 2003.

EXHIBIT

1

3. At the time of that contribution, FODH had received sufficient funds subject to the limitations and prohibitions of the Federal Election Campaign Act and the requirements of 11 C.F.R. § 300.31 to make such a contribution, as required by 11 C.F.R. § 102.5(b)(2)(ii).

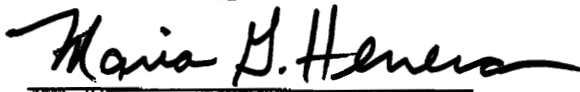
4. Since its creation, FODH has contributed funds to various state and local political organizations. The recipients of these contributions have included the 19<sup>th</sup> Ward Democratic Organization and the 43<sup>rd</sup> Ward Democratic Party. None of these contributions has ever been made with the expectation, communicated or otherwise, that the recipient of these contributions or any other person or organization would contribute to Hynes for Senate.

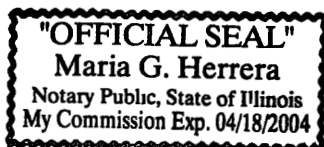
FURTHER AFFIANT SAYETH NOT.

Dated this 29<sup>th</sup> day of March, 2004.

  
JOHN SHERIDAN

SWORN and SUBSCRIBED to before  
me this 29 day of March, 2004.

  
NOTARY PUBLIC



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## BEFORE THE FEDERAL ELECTION COMMISSION

GERALD L. JAECKS,

Complainant,

vs.

MUR 5406

DANIEL W. HYNES, HYNES FOR SENATE,  
 19<sup>TH</sup> WARD DEMOCRATIC ORGANIZATION,  
 THOMAS C. HYNES, ROSEMARY BILECKI,  
 PETER BILECKI, 43<sup>RD</sup> WARD DEMOCRATIC  
 PARTY, PEGGY A. ROTH, CHARLES R.  
 BERNARDINI, FRIENDS OF VI DALEY,  
 THOMAS S. MOORE, VI DALEY, FRIENDS  
 OF DAN HYNES, JOHN SHERIDAN,  
 MADISON COUNTY DEMOCRAT CENTRAL  
 COMMITTEE, MAC WARFIELD, SANGAMON  
 COUNTY DEMOCRATIC CENTRAL  
 COMMITTEE, PATRICK T. TIMONEY,  
 DONALD E. STEPHENS COMMITTEEMAN'S  
 FUND, BRADLEY STEPHENS and DONALD  
 E. STEPHENS,

Respondents.

AFFIDAVIT OF JEFFREY WAGNER

JEFFREY WAGNER, duly sworn on oath on personal knowledge, hereby deposes and states as follows:

1. I am the Treasurer of Hynes for Senate, an authorized political committee.
2. Hynes for Senate accepted contributions of up to \$1,000 from various political organizations organized under the laws of the State of Illinois. To the best of my knowledge, none of those political organizations contributed more than \$1,000 aggregate to federal candidates in any year in which they contributed to Hynes for Senate.

EXHIBIT

2

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3. Additionally, to the best of my knowledge, at the time of those contributions, all such political organizations had received sufficient funds subject to the limitations and prohibitions of the Federal Election Campaign Act and the requirements of 11 C.F.R. § 300.31 to make such a contribution, as required by 11 C.F.R. § 102.5(b)(2)(ii).

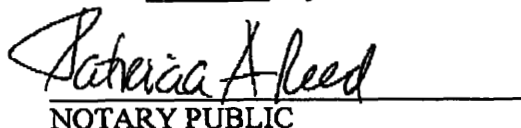
4. To the best of my knowledge, Hynes for Senate has never participated in a "money laundering" scheme or otherwise accepted a contribution which was in any way a quid pro quo for any contribution made by Friends of Dan Hynes to any other political organization.

FURTHER AFFIANT SAYETH NOT.

Dated this 29<sup>th</sup> day of March, 2004.

  
JEFFREY WAGNER

SWORN and SUBSCRIBED to before  
me this 29<sup>th</sup> day of March, 2004.

  
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